

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1695**  
**101ST GENERAL ASSEMBLY**

3893H.02C

DANA RADEMAN MILLER, Chief Clerk

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**AN ACT**

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for the sale of ethanol fuel.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.755, to read as follows:

**135.755. 1. For the purposes of this section, the following terms shall mean:**

(1) "Department", the Missouri department of revenue;

(2) "Higher ethanol blend", a fuel capable of being dispensed directly into motor vehicle fuel tanks for consumption that is comprised of at least fifteen percent but not more than eighty-five percent ethanol;

(3) "Retail dealer", a person that owns or operates a retail service station in this state;

(4) "Retail service station", a location from which higher ethanol blend is sold to the general public and is dispensed directly into motor vehicle fuel tanks for consumption.

2. For all tax years beginning on or after January 1, 2023, a retail dealer that sells higher ethanol blend at such retail dealer's retail service station shall be allowed a tax credit to be taken against the retail dealer's state income tax liability. The amount of the credit shall equal five cents per gallon of higher ethanol blend sold by the retail dealer and dispensed through metered pumps at the retail dealer's retail service station during the tax year in which the tax credit is claimed. Tax credits authorized pursuant to this section shall not be transferred, sold, or assigned. If the amount of the tax credit exceeds the taxpayer's state tax liability, the difference shall not be refundable but may

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 be carried forward to any of the five subsequent tax years. The total amount of tax  
20 credits authorized pursuant to this section for any given fiscal year shall not exceed five  
21 million dollars.

22 3. In the event the total amount of tax credits claimed under this section exceeds  
23 the amount of available tax credits, the tax credits shall be apportioned among all  
24 eligible retail dealers claiming a tax credit by April fifteenth, or as directed by section  
25 143.851, of the fiscal year in which the tax credit is claimed.

26 4. The tax credit allowed by this section shall be claimed by such taxpayer at the  
27 time such taxpayer files a return and shall be applied against the income tax liability  
28 imposed by chapter 143, excluding the withholding tax imposed by sections 143.191 to  
29 29 143.265, after reduction for all other credits allowed thereon. The department may  
30 require any documentation it deems necessary to implement the provisions of this  
31 section.

32 5. The department shall promulgate rules to implement the provisions of this  
33 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
34 created under the authority delegated in this section shall become effective only if it  
35 complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
36 section 536.028. This section and chapter 536 are nonseverable, and if any of the powers  
37 vested with the general assembly pursuant to chapter 536 to review, to delay the  
38 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,  
39 then the grant of rulemaking authority and any rule proposed or adopted after August  
40 28, 2022, shall be invalid and void.

41 6. Under section 23.253 of the Missouri sunset act:

42 (1) The provisions of this section shall automatically sunset on December 31,  
43 2028, unless reauthorized by an act of the general assembly; and

44 (2) If such program is reauthorized, the program authorized under this section  
45 shall automatically sunset twelve years after the effective date of the reauthorization of  
46 this section; and

47 (3) This section shall terminate on September first of the calendar year  
48 immediately following the calendar year in which the program authorized under this  
49 section is sunset.

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